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4 JUN 1974

MEMORANDAM FOR: Director of Central Intelligence

SUBJECT

: Direct Costing of Computer Services

REFERENCE

: Messo dtd 23 May 74 for DCI, thru IG, fr

C/AS, same subj

- 1. The Chief, Audit Staff, forwarded the reference memorandum to you and suggested, in lieu of a recommendation he had previously made in his Audit Report of QJCS of 20 May 1974, that you approve a new ADP Resource Allocation System jointly developed by the Comptroller and Director of Joint Computer Support, and approved by me.
- 2. This new Resource Allocation System has been under development for some period between the Comptroller and QJCS and is an implementing step to determine the feasibility of establishing direct charges to users of CUCS services. We are somewhat at a loss to understand why the Auditors did not become aware of this activity during their survey.
- 3. I approved and issued the policy statement on the ADP Resource Allocation System on 28 May 1974. We will monitor its implementation and continue to develop a posture so that we can arrive at an intelligent judgment concerning users paying for direct computer costs.

/s/ Harold L. Brownman

HAROLD L. BROWNAN Deputy Director for Management and Services

cc: Deputy Director of Central Intelligence Inspector General Chief, Audit Staff

ADD/M&S:JFB/ms (31 May 74) 1-11/3505

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